



January 11, 2022

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

The Honorable Board of Commissioners  
Los Angeles County  
Development Authority  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors and Commissioners:

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

3-D January 11, 2022

A handwritten signature in black ink, appearing to read "Celia Zavala", is written over a light blue horizontal line.

CELIA ZAVALA  
EXECUTIVE OFFICER

**ADOPT RESOLUTIONS TO ISSUE MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS  
TO FINANCE THE DEVELOPMENT OF AFFORDABLE SENIOR HOUSING IN THE CITY OF  
LONG BEACH  
(DISTRICT 4) (3 VOTE)**

**SUBJECT**

This letter requests that your Board approve resolutions authorizing and actions facilitating the issuance, sale, and delivery of tax-exempt and taxable Multifamily Housing Mortgage Revenue Bonds to finance the site acquisition, construction and development of Long Beach Senior Homes, a 68-unit affordable housing project in the City of Long Beach.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Adopt and instruct the Chair to sign the attached Resolution approving the issuance of tax-exempt Multifamily Housing Mortgage Revenue Bonds by the Los Angeles County Development Authority (LACDA), in an aggregate principal amount not exceeding \$20,258,943 to assist Mercy Housing California, L.P. (Borrower), or an LACDA-approved designee, to finance the site acquisition, construction and development of Long Beach Senior Homes, a 68-unit affordable housing project in the City of Long Beach (Project).

2. Find that adoption of this Resolution is not subject to the provisions of the California Environmental Quality Act (CEQA) because the action will not have the potential of causing a significant effect on the environment.

IT IS RECOMMENDED THAT THE BOARD OF COMMISSIONERS OF THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY:

1. Adopt and instruct the Chair to sign the attached Resolution authorizing the issuance, sale and delivery of tax-exempt Multifamily Housing Mortgage Revenue Bonds in an aggregate principal amount not to exceed \$20,258,943 and taxable Multifamily Housing Mortgage Revenue Bonds in an aggregate principal amount not to exceed \$6,616,874 (collectively, "Bonds") to finance the site acquisition, construction and development of the Project.
2. Authorize the Executive Director or his designee to negotiate, execute, and if necessary, amend or terminate all related documents and take all necessary actions for the issuance, sale, and delivery of the Bonds.
3. Find that adoption of this Resolution is not subject to the provisions of the California Environmental Quality Act (CEQA) because the action will not have the potential of causing a significant effect on the environment.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this action is to authorize the issuance, sale, and delivery of the tax-exempt and taxable Bonds, to finance the acquisition, construction, and development of the Project. The tax-exempt portion of the Bonds will have an aggregate principal not to exceed \$20,258,943, and the taxable portion of the Bonds will have an aggregate principal not to exceed \$6,616,874. The developer for the Project is Mercy Housing, Inc. and the Borrower is a limited partnership which includes the developer as a partner.

The Project will be located at 901-945 East Pacific Coast Highway in the City of Long Beach. When completed, the Project will be a four-story structure consisting of 68 dwelling units with 34 of the units designated as permanent supportive housing for very low-income seniors, 33 units for low- and moderate- income seniors, and one manager's unit. The first floor of the Project will have residential common areas, approximately 4,000 square feet of retail space, and 38 parking spaces.

#### **FISCAL IMPACT/FINANCING**

There is no impact on the County General Fund. The Bonds will be repaid solely through rent revenues collected by the Borrower. The Borrower will pay all fees and related costs.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On November 2, 2021, the Board of Commissioners adopted an inducement resolution declaring the intent of the LACDA to undertake the financing of a Multifamily Housing Mortgage Revenue Bond project in accordance with U.S. Treasury Department regulations. This action established a base date after which costs incurred by the Borrower for the Project could be included in the acquisition and permanent financing obtained pursuant to the issuance of tax-exempt Bonds. The Board also authorized the LACDA to execute an interlocal cooperation agreement (Agreement) with the City of Long Beach on the County's behalf as required by California Health and Safety Code Section 52086.

The Agreement authorizes issuance of the Bonds by the LACDA in the City of Long Beach.

The LACDA is authorized to issue multifamily revenue bonds or notes to assist in financing for nonprofit public benefit organizations or for-profit corporations with a public benefit project, including the Borrower. In order for the LACDA to issue such Bonds, the LACDA and the County must execute the following actions: (1) The LACDA must conduct a public hearing to satisfy the public approval requirement of Section 147(f) of the Internal Revenue Code; and (2) the County must approve a resolution approving the plan of financing and authorizing the LACDA to issue the Bonds. Although the LACDA will be issuing the Bonds at the request of the Borrower, the tax-exempt financing cannot proceed without the approval of the Board of Supervisors. The Board of Commissioners of the LACDA must then authorize the issuance of both the tax-exempt and taxable portion of the Bonds.

On December 17, 2021, the LACDA conducted a telephonic hearing regarding the issuance of the tax-exempt Bonds to finance the Project at its office located at 700 West Main Street in Alhambra. No comments were received at the hearing concerning the issuance of the tax-exempt Bonds or the nature and location of the Project.

The attached resolutions were prepared by Hawkins Delafield & Wood LLP, LACDA Bond Counsel, and approved as to form by County Counsel.

Pursuant to California Government Code Section 5852.1, a required public disclosure document for this Bond issuance is also attached. All other related documents, in substantially final form, are on file with the Executive Office. They will be approved as to form by County Counsel prior to execution by the authorized parties.

### **ENVIRONMENTAL DOCUMENTATION**

The proposed action is not a project pursuant to CEQA because it is an activity that is excluded from the definition of a project by Section 15378 (b)(5) of the State CEQA guidelines. The proposed action is an administrative activity of government which will not result in direct or indirect physical change to the environment.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

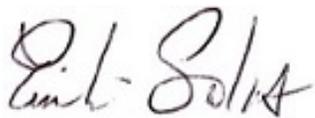
The proposed action is a necessary step to provide Bond financing for the Project, which will increase the supply of housing for low-income seniors.

The Honorable Board of Supervisors

1/11/2022

Page 4

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Emilio Salas". The signature is written in a cursive, flowing style.

Emilio Salas

Executive Director

ES:LK:ML:DR

Enclosures

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF  
LOS ANGELES APPROVING THE ISSUANCE OF MULTIFAMILY HOUSING  
MORTGAGE REVENUE BONDS OR NOTES AND RELATED ACTIONS

WHEREAS, the Los Angeles County Development Authority (the “LACDA”) intends to adopt a plan of financing to sell and issue, from time to time, multifamily housing mortgage revenue bonds or notes in one or more series, and at no time to exceed \$21,076,258 in outstanding aggregate principal amount (the “Bonds”), in order to assist in financing (including reimbursement of the expenditures of the Borrower (herein defined)) the acquisition, construction, development and/or rehabilitation of a multifamily rental housing development consisting of 68 units located at 901-945 E. Pacific Coast Highway in the incorporated City of Long Beach, in the County of Los Angeles, California (the “Project”), to be owned by Mercy Housing California 95, L.P. (or an affiliate, assign or designee) (the “Borrower”); and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the “Code”), the Bonds are required to be approved prior to their issuance by the applicable elected representative of the governmental unit on whose behalf the bonds are expected to be issued and by each governmental unit having jurisdiction over the area in which any facility financed by such bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, the interest on the Bonds may qualify for exclusion from gross income under Section 103 of the Code, only if the Bonds are approved in accordance with Section 147(f) of the Code; and

WHEREAS, the Project is located wholly within the County of Los Angeles, California (the “County”) and is within the City of Long Beach; and

WHEREAS, the City of Long Beach has approved the issuance by the LACDA of the Bonds for the Project within the City of Long Beach; and

WHEREAS, this Board of Supervisors is the elected legislative body of the County and is the applicable elected representative of the LACDA within the meaning of Section 147(f) of the Code; and

WHEREAS, pursuant to Section 147(f) of the Code, the LACDA has, following notice duly given, held a public hearing regarding the plan of financing and the issuance of such Bonds on December 17, 2021, and now desires that the Board of Supervisors approve the issuance of such Bonds within the County; and

WHEREAS, this Board hereby finds and declares that this Resolution is being adopted pursuant to the powers granted by law.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The above recitals, and each of them, are true and correct.

2. This Board of Supervisors hereby approves the plan of financing and the issuance of the Bonds by the LACDA to finance costs of the Project in the County. It is the purpose and intent of this Board of Supervisors that this Resolution constitute approval of the plan of financing and the Bonds by the applicable elected representative of the issuer of the Bonds and the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with Section 147(f) of the Code.

3. The proper officers of the LACDA are hereby authorized and directed to take whatever further action relating to the aforesaid financial assistance may be deemed reasonable and desirable, provided that the terms and conditions under which the Bonds are to be issued and sold shall be approved by the Board of Commissioners of the LACDA in the manner provided by law prior to the sale thereof.

4. The Chief Executive Officer-Clerk of the Board of Supervisors or a deputy thereof is directed to certify and deliver a copy of this Resolution to the LACDA.

5. This Resolution shall take effect immediately upon its adoption.

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PASSED AND ADOPTED by the Board of Supervisors of the County of Los Angeles, State of California, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By \_\_\_\_\_  
Chair of the Board of Supervisors

ATTEST:

CELIA ZAVALA,  
Executive Officer-Clerk  
of the Board of Supervisors

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA  
County Counsel

By: Behnaz Tashakorian  
Senior Deputy

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF TAX-EXEMPT MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$21,076,258 FOR THE PURPOSE OF MAKING A LOAN TO PROVIDE FINANCING FOR A MULTIFAMILY RENTAL HOUSING PROJECT KNOWN AS LONG BEACH SENIOR HOUSING, DETERMINING AND PRESCRIBING CERTAIN MATTERS RELATING THERETO, AND APPROVING AND AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS, AGREEMENTS AND ACTIONS.

WHEREAS, the Los Angeles County Development Authority (the “LACDA”) is authorized and empowered by the provisions of Section 34312.3 of the Health and Safety Code of the State of California (the “Act”) to issue and sell revenue bonds or notes for the purpose of making loans or otherwise providing funds to finance the acquisition, construction, rehabilitation and development of multifamily residential rental housing projects, including units for households meeting the income limits set forth in the Act; and

WHEREAS, there has been prepared and presented to this Board of Commissioners (this “Board”) for consideration at this meeting the documentation required for the issuance by the LACDA of its Multifamily Housing Mortgage Revenue Bonds (Long Beach Senior Housing), 2022 Series A (or such other name or series designation as may be designated by officers or agents of the LACDA), in one or more series or subseries, each with an appropriate series designation (the “Bonds”); and

WHEREAS, the proceeds of the Bonds will be used to finance the acquisition, development and construction of a multifamily rental housing development consisting of 68 total units located at 941 E. Pacific Coast Highway, Long Beach, California 90806, in the County of Los Angeles (the “Project”), to be known as Long Beach Senior Housing and to be owned by Mercy Housing California 95, L.P., a California limited partnership, or an affiliate, assign or designee thereof (the “Borrower”); and

WHEREAS, the LACDA proposes to provide for the issuance of the Bonds pursuant to a Trust Indenture (the “Indenture”), by and between the LACDA and U.S. Bank National Association, as trustee thereunder; and

WHEREAS, the Bonds will be payable from the trust estate, as described in the Indenture, including amounts to be paid by the Borrower to the LACDA pursuant to a Loan Agreement (the “Loan Agreement”), by and between the LACDA and the Borrower; and

WHEREAS, Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) proposes to purchase the Bonds pursuant to a Bond Purchase Agreement (the “Bond Purchase Agreement”); and

WHEREAS, a form of the Preliminary Official Statement (the “Preliminary Official Statement”) to be distributed in connection with the public offering of the Bonds has been prepared; and

WHEREAS, pursuant to Section 5852.1 of the California Government Code, this Board has received the following information as a good faith estimate of the cost of the Project financing and the LACDA has disclosed such information in accordance with Section 5852.1 of the California Government Code: (a) the true interest cost of the Bond (as hereafter defined); (b) the finance charge of the Bond, including all third party expenses; (c) the amount of proceeds received by the LACDA for the sale of the Bond less the finance charge of the Bond and any reserves or capitalized interest paid or funded with proceeds of the Bond; and (d) the total payment amount; and

WHEREAS, it appears that each of the documents and instruments above referred to which are now before this meeting is in appropriate form and is an appropriate instrument to be executed and delivered for the purposes intended.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Los Angeles County Development Authority, as follows:

1. It is hereby found and determined that it is necessary and desirable for the LACDA to provide financing for the Project through the issuance, sale and delivery of the Bond in order to assist in the acquisition, construction and development of the type of dwelling units provided by the Project.

2. For the purpose of raising moneys with which to effectuate financing for the Project, the LACDA hereby determines to issue its Bonds, in one or more series or subseries, each with an appropriate series designation, in an aggregate principal amount not to exceed \$21,076,258. The Bond shall bear interest at the interest rate or rates set forth in or determined in accordance with a Indenture, by and between the LACDA and U.S. Bank National Association, as trustee thereunder, maturing as provided in the Indenture, but not later than 35 years from the date of issuance. The Bond shall be in substantially the form set forth in the Indenture, with such appropriate variations, omissions, insertions and provisions as are permitted or required by the Indenture, which shall be appropriately completed when the Bond is prepared. The Bond shall be limited obligation of the LACDA, payable solely from the income, revenues, proceeds and other amounts pledged therefor under the Indenture. The Bond shall be executed, either manually or by facsimile, by the Chair of the Board of Commissioners or the Executive Director of the LACDA.

3. The proposed form of Indenture, in the form presented to this meeting, is hereby approved. The Executive Director of the LACDA and his designees (each an "Authorized Officer") is each hereby authorized and directed, for and in the name and on behalf of the LACDA, to execute and deliver the Indenture, in substantially said form, with such additions thereto or changes therein as such officer may approve or recommend upon consultation with counsel to the LACDA and Bond Counsel to the LACDA (provided that such additions or changes shall not authorize an aggregate principal amount of Bond in excess of the amount stated above or result in an initial interest rate on the Bond in excess of 12%), the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Indenture. The proposed form of the Bond, as set forth in the Indenture, is hereby approved, and the Chair of this Board, the Executive Director of the LACDA and his designees is each hereby authorized and directed to execute, by manual

or facsimile signatures of such officers, and the Trustee is hereby authorized and directed to authenticate, by manual signature of an authorized officer of the Trustee, the Bond in substantially such form, and the LACDA and the Trustee are each hereby authorized and directed to deliver the Bond to the Underwriter in accordance with the Indenture and the Bond Purchase Agreement. The date, maturity date, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bond shall be as provided in the Indenture as finally executed.

4. The proposed form of Loan Agreement (the “Loan Agreement”), in the form presented to this meeting, is hereby approved. Each of the Authorized Officers is hereby authorized and directed, for and in the name and on behalf of the LACDA, to execute and deliver the Loan Agreement, with such additions or changes in said document as such officer may recommend or approve upon consultation with counsel to the LACDA and Bond Counsel to the LACDA, the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Loan Agreement.

5. The proposed form of Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), in the form presented to this meeting, is hereby approved. Each of the Authorized Officers is hereby authorized and directed, for and in the name and on behalf of the LACDA, to execute and deliver the Regulatory Agreement, with such additions or, changes in said document as such officer may recommend or approve upon consultation with counsel to the LACDA and Bond Counsel to the LACDA, the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Regulatory Agreement.

6. The proposed form of Bond Purchase Agreement, in the form presented to this meeting, is hereby approved. Each of the Authorized Officers is hereby authorized and directed, for and in the name and on behalf of the LACDA, to execute and deliver the Bond Purchase Agreement, with such additions or, changes in said document as such officer may recommend or approve upon consultation with counsel to the LACDA and Bond Counsel to the LACDA, the approval of such additions or changes to be evidenced conclusively by the execution and delivery of Bond Purchase Agreement.

7. The proposed form of the Preliminary Official Statement, in the form presented to this meeting, with such changes, insertions and omissions therein as may be approved by the Executive Director of the LACDA and his designees, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the Authority that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

8. The preparation and delivery of an Official Statement for the Bonds (the “Official Statement”), and its use in connection with the offering and sale of the Bonds, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may

be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof.

9. This Board hereby appoints the Executive Director of the LACDA or his/her designee as administrator/manager with respect to the Project and other matters arising in connection with the Bond (the "Administrator").

10. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this resolution, whether before or after the issuance of the Bond, including without limitation any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project or any redemption of the Bond, may be given or taken by the Administrator without further authorization by this Board, and the Administrator is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officer may deem necessary or desirable to further the purposes of this resolution.

11. All actions heretofore taken by the officers and agents of the LACDA with respect to the sale, issuance and delivery of the Bond are hereby approved, confirmed and ratified, and the proper officers of the LACDA are hereby authorized and directed, for and in the name and on behalf of the LACDA to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to those described in the Indenture and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bond and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the LACDA.

12. This resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Los Angeles County Development Authority, this 11th day of January, 2022, by the following vote:

AYES: **Supervisors Kuehl, Barger and Mitchell**

NOES: **None**

ABSENT: **Supervisors Solis and Hahn**

ABSTAIN: **None**

By:   
Chair of the Board of Commissioners

ATTEST:

CELIA ZAVALA  
Executive Officer – Clerk  
of the Board of Commissioners

By:   
Deputy



APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA  
County Counsel

By:   
Senior Deputy

## PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the borrower (the "Borrower") identified below has provided the following required information to the Los Angeles County Development Authority (the "LACDA") prior to the LACDA's regular meeting (the "Meeting") of its Board of Commissioners (the "Board of Commissioners"), at which Meeting the Board will consider the authorization of conduit multifamily housing mortgage revenue bond (the "Bond") as identified below.

1. Name of Borrower: Mercy Housing California 95, L.P.
2. Board of Commissioners Meeting Date: January 11, 2022
3. Name of Conduit Revenue Obligations: Multifamily Housing Mortgage Revenue Bonds (Long Beach Senior Housing) 2022 Series A.
4.  Private Placement Lender or Bond Purchaser,  Underwriter or  Financial Advisor (mark one) engaged by the Borrower presented the Borrower with the following required good faith estimates relating to the Bond, and such good faith estimates have been presented to the governing board or official(s) of the Borrower with authority to obligate the Borrower in connection with the financing:
  - (A) The true interest cost of the Bond, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of Bond (to the nearest ten-thousandth of one percent): .7000%.
  - (B) The finance charge of the Bond, which means the sum of all fees and charges paid to third parties: \$501,550.
  - (C) The amount of proceeds received by the LACDA for sale of the Bond less the finance charge of the Bond described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Bond: \$20,573,450.
  - (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Bond plus the finance charge of the Bond described in subparagraph (B) not paid with the proceeds of the Bond (which total payment amount shall be calculated to the final maturity of the Bond): \$22,021,994.

This document has been made available to the public at the Meeting of the Board of Commissioners.

Dated: December 7, 2021